



Republic of the Philippines
SUPREME COURT
Manila

FIRST DIVISION

G.R. No. L-59805 July 21, 1989

LEONILA J. LICUANAN, petitioner,
vs.

HON. RICARDO D. DIAZ, Judge, Branch XXVII Court of First Instance of Manila, and **AIDA PINEDA**,
respondents.

PARAS, J.:

This is a petition for review on *certiorari* of the October 15, 1981 Decision of the then Court of First Instance of Manila affirming the August 8, 1979 Decision of the City Court of Manila.

Herein petitioner is the owner of an apartment situated at 3415 F. Aguilar St., Bo. Obrero, Tondo, Manila, being rented by herein private respondent since March, 1973. On January 22, 1974, they executed a lease contract, and stipulated therein, among others, that the monthly rental is One Hundred Eighty Pesos (P180.00) to be paid within the first five (5) days of every month.

On April 4, 1978, the law office of Amado E. Salalongos and Associates sent private respondent a letter, the body of which, reads:

Upon arrival of your lessor, Mrs. Leonila Licuanan from the United States, she found out that you have occupied her garage situated at 3415 F. Aguilar, Bo. Obrero, Tondo, Manila, which portion is not included in your lease contract, and that despite her request that you remove the aparador and other things which you have placed there as your stockpile, you have failed and refused to do so, and instead showed arrogance by telling her that it will need a court order before she removes the same and restores possession to you, in violation of the terms of your contract.

In view thereof, we are giving you five (5) days from receipt hereof within which to vacate the premises at 3415 F. Aguilar, otherwise, we shall be constrained to file an ejectment suit against you.

Private respondent, reacting to the said letter, on April 12, 1979, wrote the Civil Relations Service, AFP, Camp Aguinaldo, Quezon City, for help. A portion of her letter, reads:

May I have the honor to solicit the help of your good office with regard to the letter I received from the law office of Amado C. Sagalongos & Associates attached herein.

The accusations implied therein are not true and for your information, Sir, I have faithfully paid my monthly rentals from the time we occupied our apartment on March, 1973 up to March, 1978.

On April 24, 1978, both petitioner and private respondent appeared before Lt. Col. Antonio Penala, Hearing Officer of the Civil Relations Service, but since the parties failed to reach any agreement, Lt. Col. Penala placed the notation "HOLD" on the pertinent document; and as precautionary measure, instructed private respondent to deposit the amount of rental due for that month so that she could not be charged with non-payment, which directive private respondent readily complied with and she was issued the corresponding receipt.

On August 30, 1978, private respondent received a letter from Atty. Manuel Melo, counsel for petitioner, demanding payment of the April to August, 1978 rentals amounting to P900.00.

On September 13, 1978, petitioner filed Civil Case No. 037226-V with the City Court of Manila, Branch VII, presided over by Hon. Priscilla C. Mijares against private respondent for unlawful detainer with damages (Rollo, pp. 11-13). In the same, petitioner alleged, among others, that private respondent had failed to pay her monthly rentals from April to September, 1978, amounting to P1,080.00; that a demand letter dated August 23, 1978, was

sent and received by private respondent on August 30, 1978, wherein it is demanded that she pay her rentals in arrears and to vacate the premises; and that despite repeated demands, written and verbal, she refuses to pay her rentals in arrears and to vacate the premises.

On September 27, 1978, private respondent filed her answer (*Ibid.*, pp. 14-17). In the same, private respondent, among others, denies that she failed in paying her monthly rentals, claiming that petitioner has refused the rental being tendered and that upon advice of the Office of the Civil Relations, AFP, she deposited her monthly rentals with that office for the months of April to September, 1978, inclusive at P80.00 a month; and that she admits having received the letter of demand dated August 23, 1978, and claims that upon receipt of the said letter, she called up by telephone petitioner's counsel, Atty. Manuel Melo, informing him that the rentals due for the months of April to August, 1978 have been deposited with the Office of Civil Relations, AFP, and that petitioner can withdraw the said amount due from the said office.

The trial court, in a Decision dated August 8, 1979, ruled in favor of private respondent (*Ibid.*, pp. 37-42). The dispositive portion of the said decision reads:

In view thereof, the complaint for unlawful detainer with damages is hereby dismissed for lack of merit. The petition for consignation having been rendered moot and academic, said petition is also hereby dismissed.

Petitioner appealed the decision, but the then Court of First Instance of Manila, presided over by herein respondent judge, in a Decision dated October 15, 1981, affirmed the appealed judgment (*Ibid.*, pp. 71-74). The decretal portion of the said decision reads:

WHEREFORE, the decision of the lower Court dismissing the instant cases for unlawful detainer with damages and for consignation is hereby AFFIRMED.

Defendant-appellee, Aida Pineda, is hereby ordered to pay the plaintiff the monthly rentals as provided for in the lease contract for all the succeeding months from September, 1981.

A Motion for Reconsideration was filed (*Ibid.*, pp. 75-77), but the same was denied in an Order dated February 18, 1982 (*Ibid.*, pp. 92-93). Hence, the instant petition.

Petitioner raised six (6) assignments of error to wit:

Error 1, the finding as valid and legal 'consignation' Pineda's deposit with the Office of Civilian Relations of the Armed Forces at Camp Aguinaldo, her rent due to Licuanan, instead of making proper CONSIGNATION with a court or with a bank as provided by law.

Error 2, the finding as sufficient and valid in the law the testimony of Pineda one year after the alleged deposit with the Army.

Error 3, in affirming the lower Court's grave legal error of injecting a totally outlandish matter into the case and improperly converting the same to form part of the ground for its erroneous decision.

Error 4, in not finding as REASONABLE COMPENSATION for illegally detained property the payments made by Pineda to Licuanan which were delayed far beyond the three months at any one time provided by the rental law.

Error 5, in finding as bona fide rent what Pineda paid which was delayed for sixteen months (16) from October of 1978 to January of 1980, which was five times the three (3) months at any one time provided by law.

Error 6, being germane to Error I supra, but earlier omitted by inadvertence, is in finding that Pineda tendered her rent payment to Licuanan but that Licuanan refused to accept the same.

The instant petition is impressed with merit.

The main issue in this case is whether or not private respondent's deposit of the rentals due to petitioner with Civil Relations Service, now Office for Civil Relations, AFP, is a valid consignation. This issue was already answered in the negative by this Court in the case of *Landicho v. Tensuan* (150 SCRA 410, 415 [1987]) wherein it stated-

Their protestation that they deposited the rentals due though belatedly in the Office of then Presidential Assistant Ronaldo Zamora does not help their cause at all. The law prescribes that such consignation or deposit of rentals should be made with the Court and/or under Batas Pambansa Blg. 25 in the bank and not elsewhere.

In addition, it must be stated that in the case of *Soco v. Militante* (123 SCRA 160, 166-167 [1983]), this Court ruled that the codal provision of the Civil Code dealing with consignation (Articles 1252-1261) should be accorded a mandatory construction-

We do not agree with the questioned decision. We hold that the essential requisites of a valid consignation must be complied with fully and strictly in accordance with the law. Articles 1256 to 1261, New Civil Code. That these Articles must be accorded a mandatory construction is clearly evident and plain from the very language of the codal provisions themselves which require absolute compliance with the essential requisites therein provided. Substantial compliance is not enough for that would render only directory construction to the law. The use of the words 'shall' and 'must' which are imperative, operating to impose a duty which may be enforced, positively indicated that all the essential requisites of a valid consignation must be complied with. The Civil Code Articles expressly and explicitly direct what must be essentially done in order that consignation shall be valid and effectual ...

Likewise, in the said *Soco* case, this Court enumerated the requirements prescribed by law for a valid consignation (p. 173). One of the given requirements is that after consignation had been made, the person interested was notified thereof (Art. 1178, Civil Code). The reason for such a requirement was given by this Court. It stated-

The reason for the notification to the persons interested in the fulfillment of the obligation after consignation had been made, which is separate and distinct from the notification which is made prior to the consignation, is stated in *Cabanas v. Calo*, G.R. No. L-10927, October 30, 1958, 104 Phil. 1058, thus: 'There should be notice to the creditor prior and after consignation as required by the Civil Code. The reason for this is obvious, namely, to enable the creditor to withdraw the goods or money deposited. Indeed, it would be unjust to make him suffer the risk for any deterioration, depreciation or loss of such goods or money by reason of lack of knowledge of the consignation. (P. 181)

In the instant case, perusal of the records will readily show that private respondent failed to comply with this requirement. Even granting that petitioner was present when the hearing officer of the Office for Civil Relations, AFP, instructed private respondent to deposit the April rental, it will be noted that petitioner thereafter was never notified that a deposit was made in the said office; and in the succeeding monthly rentals, no tender of payment was made to petitioner, nor was she given any notice that consignation will be made or that consignation had been made.

PREMISES CONSIDERED, the October 15, 1981, Decision of the then Court of First Instance of Manila is REVERSED and SET ASIDE, and the respondent is ordered to vacate the premises and to pay all accrued rentals.

SO ORDERED.

Melencio-Herrera, (Chairperson), Padilla, Sarmiento and Regalado, JJ., concur.